

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 OMB-01 AGR-05 ITC-01 STR-04 /054 W

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R 171851Z MAY 76

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 3884

INFO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: EPAP, EAGR, CS

SUBJECT: EFFORTS TO DIVERSIFY MEAT EXPORTS

1. A HIGH OFFICIAL OF THE MINISTRY OF ECONOMY DESCRIBED TO AN EMBOFF AT WORKING LUNCHEON MAY 14 THE EFFORTS COSTA RICA IS MAKING TO FIND ALTERNATIVE MARKETS ABROAD FOR ITS BEEF.

2. THE BEST POSSIBILITIES ARE OFFERED BY VENEZUELA, HE SAID, BUT SO FAR IT HAS NOT BEEN POSSIBLE TO GET ANYTHING DEFINITE ORGANIZED. CREATION OF THE NEW SHIPPING LINE, NAMUCAR, OVERCOMES ONE OF THE MAIN BARRIERS, LACK OF TRANSPORTATION, BUT THERE ARE OTHER PROBLEMS. IT MIGHT BE POSSIBLE FOR THE COSTA RICAN CONSEJO NACIONAL DE PRODUCCION TO SELL DIRECTLY TO THE CORRESPONDING VENEZUELAN STATE ORGANIZATION BUT HE DID NOT HAVE MUCH FAITH THAT THE TRADE WOULD DEVELOP SMOOTHLY UNDER STATE-TO-STATE ARRANGEMENTS. HE SAID THAT COSTA RICA HAS STILL NOT RECEIVED FULL PAYMENT FROM THE VENEZUELAN ENTITY FOR A PAST SHIPMENT. (PRESUMABLY HE WAS REFERRING TO AN EMERGENCY SHIPMENT CARRIED ON VENEZUELAN AIR FORCE PLANES IN 1973 WHEN A MEAT SHORTAGE DEVELOPED IN THE MIDST OF THE VENEZUELAN ELECTION CAMPAIGN). HE THOUGHT

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IT WISER TO TRY TO DEVELOP PRIVATE CHANNELS FOR THE

MEAT TRADE.

3. THE SOURCE SAID THAT A COSTA RICAN DELEGATION WILL BE SENT TO VENEZUELA IN THE NEAR FUTURE TO TRY TO MAKE ARRANGEMENTS FOR MEAT EXPORTS FROM COSTA RICA. HE SEES THREE MAIN STEPS TO BE TAKEN: 1) TO LOCATE A SUITABLE PRIVATE FIRM THAT WOULD BE AN EFFICIENT IMPORTER FOR COSTA RICAN MEAT; 2) TO FIND OUT WHO IN THE VENEZUELAN MILITARY HAS TO BE PAID OFF TO PREVENT THE MILITARY FROM BLOCKING DEVELOPMENT OF THE TRADE (HE STATES THAT THE MILITARY CONTROL THE ILLEGAL IMPORTS FROM COLOMBIA AND THEIR APPROVAL WOULD THEREFORE BE NECESSARY); AND 3) TO SEEK A POLITICAL COMMITMENT FROM PRESIDENT PEREZ SO THAT HE WILL GIVE THE PROJECT HIS BLESSING.

4. COSTA RICA IS ALSO LOOKING FOR NEW MARKETS IN OTHER COUNTRIES AND IS STUDYING THE CARIBBEAN MARKET AS A POSSIBILITY. THE SOURCE SAID THAT HIS MINISTRY HAS RECOMMENDED TO THE CNP THAT A REQUIREMENT BE PLACED ON ALL MEAT PACKING COMPANIES TO EXPORT A CERTAIN PORTION OF THEIR MEAT TO NEW MARKETS. HE DOES NOT KNOW WHAT ACTION THE CNP WILL TAKE ON THE RECOMMENDATION, BUT THE VICE MINISTER OF ECONOMY, MARIO CARVAJAL, IS SLATED TO BECOME THE HEAD OF THE CNP, HE SAID.

5. SOURCE ASKED ABOUT POSSIBILITY FOR SOME FAVORABLE U.S. ACTION ON THE COSTA RICAN MEAT QUOTA, WHEN FONMIN FACIO MEETS WITH SECRETARY KISSINGER. EMBOFF, IN REPLY, EXPLAINED DIFFICULTIES OF SITUATION STRESSING: 1) REQUIREMENT FOR MANDATORY QUOTAS AT 10 PERCENT LOWER LEVEL IF TRIGGER POINT EXCEEDED; 2) AUSTRALIAN REFUSAL TO ACCEPT THE REGIONAL REALLOCATION THAT COSTA RICA HAD REQUESTED; 3) LIKELIHOOD THAT OTHER SUPPLIERS WOULD NOT FOLLOW THEIR COMMITMENTS TO RESTRICT SHIPMENTS IF A SIGNIFICANT SUPPLIER REFUSED TO SIGN, WHICH WOULD LEAD TO SHIPMENTS EXCEEDING TRIGGER POINT; AND 4) LIKELIHOOD THAT OTHER SUPPLIERS WOULD CONSIDER COSTA RICA A SIGNIFICANT SUPPLIER TO THE U.S. SINCE IT RANKS FOURTH IN VRS IMPORT ALLOCATIONS BEHIND ONLY AUSTRALIA, NEW ZEALAND, AND MEXICO.

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## Message Attributes

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**Copy:** SINGLE  
**Draft Date:** 17 MAY 1976  
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**Disposition Approved on Date:**  
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